



Piedmont  
Natural Gas  
Company

Post Office Box 33068  
Charlotte, North Carolina 28233

REC'D TO  
REGULATORY AUTH.  
\*01 FEB 13 AM 9 49

OFFICE OF THE  
EXECUTIVE SECRETARY

February 12, 2001

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

01-00147

Dear Mr. Waddell:

The enclosed information is provided by Nashville Gas in response to the Authority Staff's data request dated February 2, 2001 relative to disconnects for the current winter period.

As always, if you, the Directors or the Staff have questions about the enclosed information, please do not hesitate to contact me.

Sincerely,

Bill R. Morris  
Director-Rates

Enclosure

1. Provide the number of residential customers subject to disconnection for non-payment in the month of January 2001. Provide the total outstanding charges for these customers. (This information should be filed by month through April 2001.)

### **Response**

This data is not available for January 2001. Currently a computer program is being developed which will provide this data, with a projected completion date of February 15, 2001. Therefore, our intent is to provide these numbers at the end of February which will contain data from February 15 through February 28, 2001. Subsequent reports will include the data on a monthly basis, i.e. March and April 2001.

2. Provide the actual number of residential customers that were disconnected for non-payment in the month of January 2001. Provide the total outstanding charges for these customers. (This information should be filed by month through April 2001.)

**Response**

<u>Month</u>	<u>Total Disconnects</u>	<u>Residential</u>	<u>Past Due Amt.</u>	<u>Commercial</u>	<u>Past Due Amt.</u>
January	546	503	\$61,037.10	43	\$13,651.00

3. Explain the current disconnect policy for residential customers and how that policy has changed from previous years.

**Response**

- a. Under normal circumstances, Nashville Gas inserts a notice in the customer's bill when an account is 30 days past due. Ten days later, if the account is not paid, Nashville Gas hangs a door tag notifying the customer when the past due balance must be paid to prevent a disconnect for non-payment. The customer has one full day to pay the bill after the door tag is hung. Nashville Gas does not cut off accounts if the weather is forecasted to be below 32° during the day the disconnect is scheduled to be worked. We also do not work non-pay disconnects on Fridays, weekends, or holidays.
- b. This winter we are working with our customers on a case-by-case basis to avoid disconnects due to the high cost of wholesale gas. An additional day has been added after the door tag has been hung allowing the customer two full days to pay before being disconnected. We have changed our Equal Payment Plan to allow customers to be added at any time during the year. Prior to this winter the EPP Plan was available only in June. We are also making pay agreements with customers to allow them a systematic method to pay their gas bills. Any customer who works out a pay agreement with us and is systematically paying their bill will not be cut off for non-payment. We are also implementing "Speedpay" in February 2001 which will allow our customers to pay their bill over the telephone using their checking account, Visa or MasterCard.

4. What is the number of disconnections for non-payment during the period of October 2000 through January 2001 compared to the same period last year? Explain the reasons for the differences?

**Response**

<u>Month</u>	Winter <u>1999 / 2000</u>	Winter <u>2000 / 2001</u>
October	198	243
November	118	202
December	97	138
January	206	546

The increase in cut offs for this winter can be attributed to growth in the number of customers on our system and, to some extent, higher gas bills. To our knowledge, no customer has been disconnected who has contacted Nashville Gas to make a payment arrangement. To the best of our knowledge, customers who have been turned off this winter are those who have made no attempt to contact the Company to make alternative payment arrangements.

5. In past years, the majority of disconnections occurred in the February, March and April billing cycles. As these cycles approach, what do you expect to see as the number of customers disconnected, and what effect will your "Contingency Plan" have on these numbers.

**Response**

Historically, the number of disconnects for non-payment increases as we approach spring, even when wholesale gas prices are not an issue. We expect this spring to be no exception. However, we will continue to work with our customers on a case-by-case basis to make alternative pay arrangements and, where such payment arrangements are made, the customer will not be disconnected. This procedure will, hopefully, keep disconnects in line with prior years.

6. Have you experienced an increase in calls relating to the high billings? Explain the steps you have taken to handle the increased number of customer calls and waiting time customers experience when calling about high bills?

### Response

Telephone calls answered at Nashville Gas' Customer Service Department this winter period compared to last winter period:

Month	Winter 1999 / 2000	Winter 2000 / 2001
November	17,290	19,706
December	17,485	19,980
January	18,616	22,845

As can be seen in this chart, the number of calls received in our Customer Service Department has increased this winter compared to last year. Although an exact count for high bill complaints is not available, the increase in call volume is due largely to the higher gas bills experienced this winter. Call Center personnel are working schedules to insure that resources are available during periods of high call volumes. Overtime work is also necessary to deal with the increase in calls. When calls cannot be handled locally due to volume, they are forwarded to the Customer Information Center in Charlotte, NC, when agents are available. Customer account information is also available through an Integrated Voice Response System (IVR). If a customer is unable to reach us by telephone, they may FAX us at 615-734-1820 or they can e-mail us via our WEB site at [www.nashvillegas.com](http://www.nashvillegas.com). These telephone numbers and web-site information are listed in the Nashville telephone directory. IVR, FAX access and web-site information is available on a 24-hour a day, seven day a week basis.

7. What is your average increase in bills for December 1999 to December 2000 in both dollars and percentage?

**Response**

See Attached.

**TENNESSEE - Actual December Bill  
Average Residential Customer**

	<u>Dec-1999</u>	<u>Dec-2000</u>		
Facility	7.00	8.00		
Average Actual Usage(DT's)	9.1	14.8	5.75	63.2%
Normal Usage (DT's)	12.1	12.1		
Billed Rate	6.0989	8.5593	2.46	40.3%
Margin Factor	2.9884	2.9884		
Incentive Plan Sharing	0.0181	0.0558		
Cost of Gas (Commodity & Demand)	3.0924	5.5151		

**TENNESSEE - Actual December Bill**

Facility	7.00	8.00		
COG X Actual Usage	28.11	81.83		
Margin X Norm Usage	36.23	36.23		
Incentive Plan Sharing	0.22	0.68		
Franchise Fee	<u>4.21</u>	<u>7.46</u>		
Total	\$ 75.77	\$ 134.19	58.42	77.1%

8. How many customers have been offered an extended payment plan (whether budget or short-term deferred payment plan) this year compared to last year? Provide the details of the payment plans and how they are administered.

### **Response**

From December 1, 2000 through January 31, 2001, 752 payment agreements were made at Nashville Gas. The numbers for last winter are not available. During the same period, 1,377 customers were added to our Equal Payment Plan (EPP). Winter signup for EPP was not available in previous years. Payment arrangements are made on a case-by-case basis. These arrangements vary depending on the customer's financial situation. Cut-off procedures for non-payment are suspended while a customer is paying their bill under a payment agreement. The Equal Payment Plan spreads the customer's bills over an eleven-month period with the twelfth month being a "settle up" month. The disconnection process is also suspended while the customer is paying their account under an EPP agreement.

9. Do you refer customers to civic, charitable, or governmental agencies for assistance in making payments? If so, how many customers?

**Response**

All of our Customer Service Representatives have a list of the agencies available to help our customers pay their gas bill. We make this data available to all walk-in traffic and customers who call us concerning their bill. Also, we have notified our customers through bill inserts, media interviews, etc., that agencies are available for assistance. No records are available to show how many customers have applied for or been approved by the various agencies.

10. Has there been a noticeable increase in the length of time necessary for customers to pay their bills? (Ex. Increase in forfeited discounts, drop in cash flow, etc.)

### **Response**

As the response in Item 8 indicates, several customers have made payment arrangements with the Company by either extending the payment of their bills over a longer period or opting to go on budget billing under the Company's Equal Payment Plan. Obviously, this results in an increase in time necessary for these customers to pay their bills. The Company; however, has not experienced a significant effect on cash flows. Forfeited discounts have increased during this period over the same months last year. This results not only from an increase in activity, but also from the amount of the bills being larger because of colder weather and higher gas prices. As reported in the allocated income statements provided to Staff on a monthly basis, forfeited discounts for November and December 1999 were \$58,374 and \$76,464, respectively. Forfeited discounts for the same months in 2000 were \$77,594 and \$173,725, respectively.